



Funding the Republic

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
Intramuros, Manila 1002

Press Release

**The Republic of the Philippines Launches
First Zero-Coupon Samurai Bond**

The Republic of the Philippines (the "Republic") successfully returned to the Samurai market with its JPY 55.0 billion offering of 3-Year Senior Unsecured Zero-coupon (0.001%) Fixed Rate Samurai bonds (the "Bonds").

This transaction marked the first-ever zero-coupon bond transaction issued in the Samurai bond market, and followed the Republic's successful zero-coupon bond issuance in the Euro market last February 2020. The new 3-year Samurai tranche was priced at 21 bps above the benchmark, the tightest spread the Republic has achieved so far since its return to the market back in 2018.

Initial target size was around JPY 30.0 billion but was upsized to JPY 55.0 billion (equivalent to USD 500 million) following strong investor demand allowing the deal to expand new investor base for Philippine issuances.

Key summary terms of the offering are as follows:

Transaction Details	
Issuer	Republic of the Philippines
Series	16th Series
Bond Ratings	Baa2 (Moody's) / BBB+ (S&P) / A- (JCR)
Tenor	3-year
Issue Size	JPY 55 billion
Coupon	0.001%
Price	99.28
Re-Offer Spread over Yen Swap Offer	+21 bps
Pricing Date	30th March 2021
Settlement Date	13th April 2021
Maturity Date	12th April 2024

Responding to the landmark issuance, Secretary Dominguez said, "The Philippines' successful return to the Japanese bond market at this precarious time underlines the continued investor confidence in our economy, brought about by its strong fiscal position and prudent management that augurs well for a robust and sustainable recovery from the economic turmoil brought by the COVID-19 pandemic."

"This bond offering brings to light the government's relentless drive to generate sufficient resources to fund its COVID-19 response and other priority programs that are meant to return the country soon enough to the path of high and inclusive growth," he added.

Undersecretary Mark Dennis Joven said, "The issuance shows the Republic's preparedness to expand its funding sources and the continued confidence and support of its credit investor base."

National Treasurer De Leon also noted, "This landmark transaction highlights the government's capability to respond to challenging times with creative solutions to free up fiscal space to augment the National Government's COVID-19 response."

SMBC Nikko Securities Inc. acted as sole Lead Manager and Book Runner for this deal.

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